



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/981,626	10/16/2001	Peter Melchior	027392-000410US	7032

20350 7590 06/22/2010  
TOWNSEND AND TOWNSEND AND CREW, LLP  
TWO EMBARCADERO CENTER  
EIGHTH FLOOR  
SAN FRANCISCO, CA 94111-3834

EXAMINER
----------

FISHER, PAUL R

ART UNIT	PAPER NUMBER
----------	--------------

3689

MAIL DATE	DELIVERY MODE
-----------	---------------

06/22/2010

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/981,626	<b>Applicant(s)</b> MELCHIOR ET AL.	
	<b>Examiner</b> PAUL R. FISHER	<b>Art Unit</b> 3689	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 11 September 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 4,8,9,11-13,18,24-36 and 39-43 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 4,8,9,11-13,18,24-36 and 39-43 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 25 July 2002 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)            | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>10/15/2009</u> .  | 6) <input type="checkbox"/> Other: _____                          |

### **DETAILED ACTION**

1. Request for Continued Examination submitted on September 11, 2009 has been acknowledged. Claims 1-3, 5-7, 10, 14-17, 19-23 and 37-38 have been canceled. Claims 4, 8-9, 11-13, 18, 24-36, and 39-43 are currently pending and have been considered below.

#### ***Continued Examination Under 37 CFR 1.114***

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on September 11, 2009 has been entered.

#### ***Claim Rejections - 35 USC § 112***

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 4, 8-9, 11-13 and 32-36 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

5. In claims 4, 8-9, 11-13 and 32-36, the claim elements "means for electronic procurement", "means for receiving", "means for evaluating", "means for notifying", "means for electronic modification", "means for storing", "means for electronically

Art Unit: 3689

evaluating”, “means for electronically providing” and “means for electronic negotiation” are a means (or step) plus function limitations that invoke 35 U.S.C. 112, sixth paragraph. However, the written description fails to clearly link or associate the disclosed structure, material, or acts to the claimed functions such that one of ordinary skill in the art would recognize what structure, material, or acts perform the claimed function. Specifically while the specification generically discloses a server computer and client computer, it fails to explicitly disclose what structure, materials, or acts are performing the claimed functions.

Applicant is required to:

- (a) Amend the claim so that the claim limitation will no longer be a means (or step) plus function limitation under 35 U.S.C. 112, sixth paragraph; or
- (b) Amend the written description of the specification such that it clearly links or associates the corresponding structure, material, or acts to the claimed function without introducing any new matter (35 U.S.C. 132(a)); or
- (c) State on the record where the corresponding structure, material, or acts are set forth in the written description of the specification that perform the claimed function. For more information, see 37 CFR 1.75(d) and MPEP §§ 608.01(o) and 2181.

6. In claims 4, 8-9, 11-13 and 32-36, it is unclear what structure if any are capable of performing the recited functions. It is unclear to the Examiner if there are structural elements performing these functions, or merely software functions un-embodied which are for performing these tasks, further claim 4 recites that modifications "are allowed by

Art Unit: 3689

a computer processor" but it is not clear that a processor is part of the system as claimed. For the purposes of examination the Examiner is interpreting the claims to read on merely software which is not embodied in a computer readable medium, See 101 rejection below.

***Claim Rejections - 35 USC § 101***

7. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

8. Claims 4, 8-9, 11-13 and 32-36 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. In claims 4, 8-9, 11-13 and 32-36, the system appears to be directed to software (data) structures not claimed as embodied in computer-readable media and therefore are descriptive material per se and are not statutory because they are not capable of causing function change in a computer. See *In re Warmerdam*, 33 F.3d at 1361, 31 USPQ2d at 1760. Until it is expressed as a computer-readable "copy," e.g., on a CD-ROM, any software detached from an activating medium remains uncombinable. It cannot be inserted into a CD-ROM drive or downloaded from the Internet; it cannot be installed or executed on a computer. Abstract software code is an idea without physical embodiment. *Microsoft v AT&T*, 550 US 437, (2007).

***Claim Rejections - 35 USC § 103***

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

Art Unit: 3689

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. **Claims 4, 8-9, 11-13, 18, 24-36 and 39-43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Conklin et al. (US 6,141,653) hereafter Conklin, in view of Cornelius et al. (7,069,234) hereafter Cornelius, further in view of Barnes et al. (5,970,475) hereafter Barnes.**

**As per claim 4**, Conklin discloses a computerized system for facilitating transactions in goods or services (Abstract), the system comprising:

means for electronic procurement of a purchase order agreement between a seller and a buyer and relating to a transaction in one or more goods or services, and for electronically storing the purchase order agreement (Figure 1h, col. 5, lines 35-40; col.7, lines 30-41; col. 13, lines 51-63 iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26 maintains internal databases with the terms of our **Purchase Order**, Figure 18 Notification of **Purchase Order Acceptance**);

means for electronic modification of the purchase order agreement upon agreement by the seller and the buyer to the proposed modification (col. 13, lines 51-63; iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents;

Art Unit: 3689

col. 14, lines 21-26; maintain internal databases that contain a history of all transactions, Figure 11a-1; In accordance with the terms of our **Purchase Order**, Figure 18; Notification of **Purchase Order** Acceptance; Figure 1e (244) state **changes**; col. 13, lines 51-55; col. 14, lines 27-30; provides comprehensive iterative bargaining abilities for both buyers and sellers that enable them to negotiate all the terms and conditions of transaction col.24, lines 1-41 keeps track of each set of changes and can display them; col. 24, line 66 thru col. 26, line 18; Iterative multivariate negotiations);

means for receiving a proposed modification to the purchase order agreement (Col. 13, lines 51-55, Col. 14, lines 27-30, Col. 20, lines 23-34; disclose that the process is iterative and until the process is accessed all modifications are proposed modifications, these proposals are received in the system);

means for notifying at least one of the seller and buyer of the proposed modification (Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of the proposals concerning their orders, thus a means for notifying has been provided to both the seller and the buyer);

means for receiving and storing electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, documentary collection payment methods, purchase order payment

Art Unit: 3689

methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

means for electronically evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Applicant's specification page 29, lines 9-16; state that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, Indicating or proving that the seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely obligated to pay the seller provided the seller ships goods in a way that conforms to every detail to the terms of the letter of credit);

means for electronically providing a payment instruction if the seller has been evaluated to have complied with the seller's obligations as defined by the purchase



Art Unit: 3689

order agreement as modified by any modifications (Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email); and

means for receiving and storing electronic evidence that the buyer has made one or more payments in connection with fulfilling buyer's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, line 31, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21),

wherein the means for electronic modification of the purchase order agreement comprises means for electronic negotiation between the seller and the buyer relating to the modification (Col. 14, lines 27-30; disclose that the system allows both parties the buyer and the seller to negotiate iteratively thus negotiating all of the terms of the purchase order during the process electronically).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically. Conklin further fails to explicitly disclose means for evaluating at least one of completeness and consistency of the proposed modifications and a means for notifying

Art Unit: 3689

at least one of the seller and buyer of results of the evaluation of the proposed modification.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches means for evaluating at least one of completeness and consistency of the proposed modifications and a means for notifying at least one of the seller and buyer of results of the evaluation of the proposed modification (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer, thus there is a means for evaluating and a means for notifying once the evaluation is complete, it would have been obvious to use such evaluation means in Conklin to ensure each proposal is correct and accurate thus saving time).

Cornelius further teaches the system is configured to recognize different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, and the system is configured to recognize different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order modifications to the purchase order agreement; and the means for electronic modification of the purchase order agreement upon agreement by the seller and the buyer to the modification is configured so that proposed

Art Unit: 3689

modifications to the purchase order agreement, and accepting proposed modifications to the purchase order agreement, are allows by a computer processor based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and

Art Unit: 3689

privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

**As per claim 8**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the means for storing electronic records indicating any proposed modification to the purchase order

Art Unit: 3689

agreement and any accepted modifications to the purchase order agreement comprises means for storing an indication of a chronological order in which the any proposed modifications to the purchase order agreement and the any accepted modifications to the purchase order agreement occurred (col. 14, lines 21-26 and 48-54 and 59-62, col. 30, line 33 thru col. 31, line 25). The Examiner asserts that any database would be a means for storing. If applicant is trying to claim a log or mechanism for stamping the time of day, then applicant is directed to Cornelius (col. 96, lines 28-33 time-of-day).

**As per claim 9**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the means for storing electronic records indicating any proposed modifications to the purchase order agreement and any accepted modifications to the purchase order agreement comprises means for storing, for reference, information identifying an entity responsible for each of the any proposed modifications to the purchase order agreement and each of the any accepted modifications to the purchase order agreement, wherein the information identifying an entity comprises an electronic signature of the entity responsible for each of the any proposed modifications to the purchase order agreement (Figure 9 (605) (610) (col. 30, line 33 thru col. 31, line 25, col. 14, lines 21-26, 48-54 and 59-62; col. 32, lines 24-34). The Examiner asserts that as claimed, the fact that the information comprises an electronic signature is non-functional descriptive data since it does not alter the structure of the system. Furthermore, Cornelius discloses audit logs which record User ID, time-of-day, location of access, etc. (col. 96, lines 28-33) and Seller and

Art Unit: 3689

Buyer signing off digitally for overall agreement (see also, col. 23, lines 22-27, col.24, lines 29-22).

**As per claim 11**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses comprising means for the system evaluating whether a first set of payment guarantee criteria are met, and means for, if the first set of payment guarantee criteria are evaluated to be met, the system providing a payment guarantee to the seller to guarantee payment by the buyer in connection with the purchase order agreement as modified by any modifications (Col. 4, line 51 thru col. 7, line 45; col. 25, lines 56-59, col. 26, line 65 thru col. 27, line 31)

Furthermore, Cornelius discloses means for evaluating payment criteria and providing payment (Figure 31, col. 20, line 5-31, col. 23, lines 15-31, Figure 18-20, steps 1808, 1812, where due diligence check is made prior to authorizing payment to seller by the Bank).

**As per claim 12**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches wherein the first set of criteria comprises at least one of a credit exposure of the buyer being evaluated by the system to be within a specified maximum credit exposure (Col. 20, line 58 thru col. 21, line 4; teaches that the buyer is evaluated to determine their line of credit which is the Examiner asserts is equivalent to determining if the buyer is in a specified maximum credit exposure),

Conklin discloses the seller being evaluated by the system to have complied with the seller's obligations as defined by the purchase order agreement as modified by any

Art Unit: 3689

modifications (Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants).

**As per claim 13**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention , Conklin further discloses wherein the means for electronically evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications comprises means for electronically evaluating whether the seller has complied with a part of the seller's obligations as defined by the purchase order agreement as modified by any modifications, and wherein means for electronically providing a payment instruction if the seller has been evaluated to have complied with the part of the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants. Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

**As per claim 18**, Conklin discloses a computerized method for facilitating transactions in goods or services (Abstract), the method comprising:

electronically procuring of a purchase order agreement over an electronic communication network between a seller and a buyer, the purchase order agreement being stored electronically on a computer-readable storage medium and relating to a transaction in one or more goods or services (Figure 1h, col. 5, lines 35-40; col.7, lines 30-41; col. 13, lines 51-63 iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a database for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26 maintains internal databases with the terms of our **Purchase Order**, Figure 18 Notification of **Purchase Order** Acceptance);



receiving a proposed modification to the purchase order agreement (Col. 13, lines 51-55, Col. 14, lines 27-30, Col. 20, lines 23-34; disclose that the process is iterative and until the process is accessed all modifications are proposed modifications, these proposals are received in the system);

notifying at least one of the seller and buyer of the proposed modification (Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of the proposals concerning their orders, thus a notification has been provided to both the seller and the buyer);

electronically modifying of the purchase order agreement upon agreement by the seller and the buyer to the modification (col. 13, lines 51-63; iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a database for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26; maintain internal databases that contain a history of all transactions, Figure 11a-1; In accordance with the terms of our **Purchase Order**, Figure 18; Notification of **Purchase Order** Acceptance; Figure 1e (244) state **changes**; col. 13, lines 51-55; col. 14, lines 27-30; provides comprehensive iterative bargaining abilities for both buyers and sellers that enable them to negotiate all the terms and conditions of transaction col.24, lines 1-41 keeps track of each set of changes and can display them; col. 24, line 66 thru col. 26, line 18; Iterative multivariate negotiations);

receiving and storing electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order

Art Unit: 3689

agreement (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

electronically evaluating by a computer processor whether the seller has complied with the seller's obligations as defined by the purchase order agreement (Applicant's specification page 29, lines 9-16; state that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, Indicating or proving that the seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely obligated to pay the seller provided the

Art Unit: 3689

seller ships goods in a way that conforms to every detail to the terms of the letter of credit);

electronically providing a payment instruction if the seller has been evaluated to have complied with the seller's obligations as defined by the purchase order agreement (Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email); and

receiving and storing on a computer-readable storage medium electronic evidence that the buyer has made one or more payments in connection with fulfilling buyer's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, line 31, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically. Conklin further fails to explicitly disclose electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the

Art Unit: 3689

discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer it would have been obvious to use such evaluation means in Conklin to ensure each proposal is correct and accurate thus saving time, further if it does not pass as clean it is automatically sent and highlighted to both buyer and seller electronically. From this it is shown that inconsistencies are checked and highlighted for both the buyer and seller).

Cornelius further teaches different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, and different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order modifications to the purchase order agreement; and

Art Unit: 3689

proposed modifications to the purchase order agreement, and accepting proposed modifications to the purchase order agreement, are allowed by the computer processor based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

**As per claim 24**, Conklin discloses a computerized method for facilitating transactions (Abstract), comprising:

electronically storing on a computer-readable storage medium a purchase order agreement between a seller and a buyer relating to a transaction in one or more goods, services, or both (Col. 30 line 33 thru col. 31 line 25; disclose that as part of the iterative process each round of negotiation or modification are saved in order for dispute purposes later);

receiving over an electronic communication network a proposed modification to the purchase order agreement (Col. 30 line 33 thru col. 31 line 25; disclose that as part of the iterative process each round of negotiation or modification are saved in order for dispute purposes later);

electronically storing the proposed modification on computer-readable storage medium (Col. 30 line 33 thru col. 31 line 25; disclose that as part of the iterative process each round of negotiation or modification are saved in order for dispute purposes later).

receiving and storing electronic evidence that the seller has performed as least part of an obligation of the seller defined by the modified purchase order agreement (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

electronically evaluating by the computer processor whether the seller has fulfilled the obligation of the seller (Applicant's specification page 29, lines 9-16; state that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, Indicating or proving that the seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely obligated to pay the seller provided the seller ships goods in a way that conforms to every detail to the terms of the letter of credit); and

upon determination that the seller has fulfilled the obligation of the seller, providing a payment instruction to the buyer (Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically.



Art Unit: 3689

Conkling further fails to explicitly disclose electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement;

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer it would have been obvious to use such evaluation means in Conklin to ensure each proposal is correct and accurate thus saving time, further if it does not pass as clean it is automatically sent and highlighted to both buyer and seller electronically. From this it is shown that inconsistencies are checked and highlighted for both the buyer and seller).

Cornelius further teaches different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, and

Art Unit: 3689

different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order modifications to the purchase order agreement; and proposed modifications to the purchase order agreement, and accepting proposed modifications to the purchase order agreement, are allowed by the computer processor based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a

Art Unit: 3689

rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be

Art Unit: 3689

buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

**As per claim 25**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses receiving and storing electronic evidence that the buyer has made one or more payments in connection with fulfilling the buyer's obligations as defined by the modified purchase order agreement (Figure 7, col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, it would have been obvious that the payment information is included in this information since it is old and well know to track payment information to avoid possible double payment or not paying at all).

**As per claim 26**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein receiving and storing the modification comprises:

forwarding the proposed modification to at least one of the buyer and the seller (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, during this process bother parties are communicating to come to the final terms. Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of

Art Unit: 3689

the proposals concerning their orders, thus a notification has been provided to both the seller and the buyer, thus the proposals are forward to both the buyer and seller);

receiving an acceptance of the proposed modification from at least one of the buyer and seller (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, during this process one of the parties receive an acceptance by the other party to the proposed terms); and

modifying the stored purchase order agreement to be consistent with the accepted modification (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up).

**As per claim 27**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses prior to forwarding the proposed modification, electronically verifying by the computer processor that the proposal is made according to rights of at least one of the buyer and the seller (Col. 19, lines 27-38; discloses that the seller has to be registered in order to conduct business on the system. Col. 19, lines 48-57; disclose that the buy is also checked to ensure they have

Art Unit: 3689

the appropriate rights to be on the system and this is done to prevent frivolous or fraudulent inquirers).

Barnes teaches where the access rights and privileges of users is set for a purchase order and that these rights are used to determine if a purchase can be made according to the users authorization level (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

**As per claim 28**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses storing a plurality of proposed modifications to the purchase order agreement based on the order in which they are communicated between the seller and the buyer (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up).

Art Unit: 3689

**As per claim 29**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses storing an indication of the entity responsible for proposing the modification (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. It also shows that the system tracks each round by user name and password to prove which party is responsible for each modification).

**As per claim 30**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses upon determining that a set of payment guarantee criteria are met, providing a payment guarantee to the seller to guarantee payment by the buyer (Col. 27, lines 3-25; disclose that the method of payment could be a Letter of credit this guarantees the seller payment if they have met all the requirements of the purchase order).

**As per claim 31**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches wherein the set of payment guarantee criteria comprises a credit exposure of the buyer being within a specified maximum credit exposure (Col. 20, line 58 thru col. 21, line 4; that the bank checks the buys line of credit which is considered by the Examiner to be equivalent to a specified maximum credit exposure).

**As per claim 32**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses a means for storing an electronic proposal of a first modification only in accordance with rights associated with the user attempting to implement the first proposal (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up and they are all stored in the system);

Conklin further discloses a means for storing a first electronic acceptance of a proposed modification only in accordance with rights associated with the user attempting to implement the first electronic acceptance (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up, it also shows that terms are accepted during this process),

Cornelius further teaches means for receiving an assignment of the different rights of the different seller agents from a system administrator within an organization of the seller through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist,



Art Unit: 3689

which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment), and

Cornelius further teaches means for receiving an assignment of the different rights of the different buyer agents are from a system administrator within an organization of the buyer through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

**As per claim 33**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the means for electronic negotiation comprises means for a first one of the seller and the buyer to communicate to a second one of the seller and the buyer one or more first proposed modifications to one or more terms of the purchase order agreement (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for

Art Unit: 3689

future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. From this it is shown that the two parties are allowed to communicate).

**As per claim 34**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the means for electronic negotiation comprises means for the second one of the seller and the buyer to communicate to the first one of the seller and the buyer an action selected from the group of accepting the first proposed modifications, declining the first proposed modifications, and communicating to the first one of the buyer and the seller one or more second proposed modifications (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. From this it is shown that the two parties are allowed to communicate and it is also shown that the buyer and seller can either accept decline or propose modifications to the terms during the negotiation process).

**As per claim 35**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the means for electronic negotiation comprises means for modifying the purchase order agreement in

Art Unit: 3689

accordance with any modifications that have been proposed by the first one of the seller and the buyer and accepted by the second one of the seller and the buyer, and in accordance with any modifications that have been proposed by the second one of the seller and the buyer and accepted by the first one of the seller and the buyer (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. From this it is shown that the two parties are allowed to communicate and it is also shown that the buyer and seller can either accept decline or propose modifications to the terms during the negotiation process).

**As per claim 36**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Conklin further discloses wherein the means for electronic negotiation comprises means for storing, for reference, electronic records indicating any proposed modifications to the purchase order agreement and any accepted modifications to the purchase order agreement (Col. 30 line 33 thru col. 31, line 25; discloses that through out the process the information is stored and relied upon for future reference to resolve any potential disputes, and that there are various rounds of negotiation where terms are offered and counter offers are made until both parties can agree on final terms, from this it shown that there is a final document that is updated each time new terms are brought up. From this it is shown that the two parties are

Art Unit: 3689

allowed to communicate and it is also shown that the buyer and seller can either accept decline or propose modifications to the terms during the negotiation process).

The fact that a system allows a modification of the purchase order or negotiation between the seller and the buyer is not a positive limitation. "Allowing a modification" or "allowing a negotiation" simply means that nothing is done to stop or hinder the modification or negotiation. "Allowing" a modification or negotiation means that the system makes possible for the modification or negotiation to take place without opposing or prohibiting the action.

**As per claim 39**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius teaches receiving an assignment of rights of a first seller agent to a second seller agent from a system administrator within an organization of the seller through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more

Art Unit: 3689

goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material

Art Unit: 3689

"that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not functionally relate to the substrate and thus does not change the structure of the system as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

**As per claim 40**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches receiving an assignment of rights of a first buyer agent to a second buyer agent from a system administrator within an organization of the buyer through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more

Art Unit: 3689

goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material

Art Unit: 3689

"that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not functionally relate to the substrate and thus does not change the structure of the system as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

**As per claim 41**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius teaches receiving an assignment of rights of a first seller agent to a second seller agent from a system administrator within an organization of the seller through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more



Art Unit: 3689

goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material

Art Unit: 3689

"that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not functionally relate to the substrate and thus does not change the structure of the system as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

**As per claim 42**, the combination of Conklin, Cornelius and Barnes teaches the above-enclosed invention, Cornelius further teaches receiving an assignment of rights of a first buyer agent to a second buyer agent from a system administrator within an organization of the buyer through the computerized system (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment).

The Examiner asserts that the fact that the rights are assigned "by a system administrator within a buyer/seller organization", that the agreement is a "purchase order" agreement "between a buyer and a seller relating to a transaction in one or more

Art Unit: 3689

goods or services". the name of the parties modifying the agree (buyer and seller), the type of evidence received and stored are all non-functional descriptive data.

When presented with a claim comprising descriptive material, an Examiner must determine whether the claimed non-functional descriptive material should be given patentable weight. The Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art. *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). The PTO may not disregard claim limitations comprised of printed matter. *See Gulack*, 703 F.2d at 1384-85, 217 USPQ at 403; see also *Diamond v. Diehr*, 450 U.S. 175, 191, 209 USPQ 1, 10 (1981). However, the examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. *See In re Lowry*, 32 F.3d 1579, 1583-84, 32 USPQ2d 1031, 1035 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338, 70 USPQ2d 1862, 1863-64 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is non-functional and will not be given any patentable weight. That is, such a scenario presents no new and unobvious functional relationship between the descriptive material and the substrate.

The Examiner asserts that the data that the rights are assigned by the system administration of the buyer/seller organization, etc. adds little, if anything, to the claimed structure and thus do not serve as limitations on the claims to distinguish over the prior art. MPEP 2106IV b 1(b) indicates that "nonfunctional descriptive material" is material

Art Unit: 3689

"that cannot exhibit any functional interrelationship with the way the steps are performed." Any differences related merely to the meaning and information conveyed through data which does not explicitly alter or impact the structure is non-functional descriptive data. Except for the meaning to the human mind, this data does not functionally relate to the substrate and thus does not change the structure of the system as claimed. The subjective interpretation of the data does not patentably distinguish the claimed invention.

**As per claim 43**, Conklin discloses a computer-readable storage medium, bearing instructions that, when executed by a computer, cause the computer to perform steps including:

procuring of a purchase order agreement between a seller and a buyer and relating to a transaction in one or more goods or services, and for electronically storing the purchase order agreement (Figure 1h, col. 5, lines 35-40; col.7, lines 30-41; col. 13, lines 51-63 iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26 maintains internal databases with the terms of our **Purchase Order**, Figure 18 Notification of **Purchase Order** Acceptance);

receiving a proposed modification to the purchase order agreement (Col. 13, lines 51-55, Col. 14, lines 27-30, Col. 20, lines 23-34; disclose that the process is iterative and until the process is accessed all modifications are proposed modifications, these proposals are received in the system);

notifying at least one of the seller and buyer of the proposed modification (Col. 20, lines 49-63; discloses that each user with their corresponding rights can access and be notified of the proposals concerning their orders, thus a notification has been provided to both the seller and the buyer);

modifying of the purchase order agreement upon agreement by the seller and the buyer to the proposed modification (col. 13, lines 51-63; iterative bargaining and purchasing over a network which enables buyers and sellers to negotiate prices, terms, and conditions iteratively until an agreement is reached; provides a means for storing, archiving and accessing all transactions and documents; col. 14, lines 21-26; maintain internal databases that contain a history of all transactions, Figure 11a-1; In accordance with the terms of our **Purchase Order**, Figure 18; Notification of **Purchase Order** Acceptance; Figure 1e (244) state **changes**; col. 13, lines 51-55; col. 14, lines 27-30; provides comprehensive iterative bargaining abilities for both buyers and sellers that enable them to negotiate all the terms and conditions of transaction col.24, lines 1-41 keeps track of each set of changes and can display them; col. 24, line 66 thru col. 26, line 18; Iterative multivariate negotiations);

receiving and storing electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines

Art Unit: 3689

65 thru col. 27, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21);

electronically evaluating by the computer processor whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications (Applicant's specification page 29, lines 9-16; state that the "electronic evidence that the seller has performed in connection with fulfilling the seller's obligations as defined by the purchase order agreement as modified by any modifications. This step may represent the seller or other party entering in data to be stored in the trade database 116, such as electronic forms or documents, Indicating or proving that the seller has shipped goods to the buyer, the type and quantity of goods etc." From this the Examiner asserts that the evidence is merely an indication in the files that show the shipper has shipped the goods. Figure 1g (68) Deal concluded and archived; Figure 8 (580, 585) shows that the shipper has indicated in the database that the products have been shipped thus evaluating if the shipper has complied with their obligations to ship the product. Figures 15a-23; Figure 30; col. 15, lines 7-12 removing non-complaint participants; col. 27, lines 6-10 in a proposed letter of credit, such as shown in Figure 16, the buyer's bank assumes the full credit risk and is absolutely obligated to pay the seller provided the seller ships goods in a way that conforms to every detail to the terms of the letter of credit);

electronically providing a payment instruction if the seller has been evaluated to have complied with the seller's obligations as defined by the purchase order agreement

Art Unit: 3689

as modified by any modifications (Figure 17, Figure 30; col. 26, line 65 thru col. 27, line 31; disclose that all participants are continually notified by email); and

receiving and storing electronic evidence that the buyer has made one or more payments in connection with fulfilling buyer's obligations as defined by the purchase order agreement as modified by any modifications (Figure 1g (68) **Deal concluded and archived**; Figure 8 (580, 585); Figures 15a-23; Figure 30; col. 14, lines 59-62 complete histories of each stage of the negotiation processes are available for tracking and analysis which promotes non-repudiation of negotiated terms; Figure 30, col. 26, lines 65 thru col. 27, line 31, documentary collection payment methods, purchase order payment methods, procurement cards and similar methods can be used and negotiated using this invention; col. 6, lines 20-21),

wherein the modification of the purchase order agreement comprises c negotiations between the seller and the buyer relating to the modification (Col. 14, lines 27-30; disclose that the system allows both parties the buyer and the seller to negotiate iteratively thus negotiating all of the terms of the purchase order during the process electronically).

While Conklin discloses evaluating whether the seller has complied with the seller's obligations as defined by the purchase order agreement as modified by any modifications. Conklin does not disclose that the evaluating is performed electronically. Conklin further fails to explicitly disclose electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the

Art Unit: 3689

discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement.

However, Cornelius discloses **electronically** evaluating whether the seller has complied with the seller's obligation as defined by the purchase order agreement as modified by any modifications (Figures 23-25, 31-32 and col. 23, lines 15-55).

Cornelius further teaches electronically evaluating by a computer processor the proposed modification, and notifying at least one of the seller and buyer of discrepancies identified by the evaluation of the proposed modification, the discrepancies including at least one of additional information required to complete the proposed modification and inconsistencies in the purchase order agreement (Col. 23, lines 22-45; disclose that each document is checked once signed by the seller or buyer for compliance and that upon completion a signal is sent to the bank/buyer it would have been obvious to use such evaluation means in Conklin to ensure each proposal is correct and accurate thus saving time, further if it does not pass as clean it is automatically sent and highlighted to both buyer and seller electronically. From this it is shown that inconsistencies are checked and highlighted for both the buyer and seller).

Cornelius further teaches different seller agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order agreement, and different buyer agent users have different rights with regard to electronically proposing modifications to the purchase order agreement and electronically accepting proposed modifications to the purchase order modifications to the purchase order agreement; and



Art Unit: 3689

proposed modifications to the purchase order agreement, and accepting proposed modifications to the purchase order agreement, are allowed by the computer processor based on the respective buyer and seller agents' rights (Col. 75, line 26 thru col. 76, line 20; teaches a workflow management which sets forth which tasks exist, what roles exist, which roles can perform which tasks, and which individuals can fill which roles. Col. 81, lines 49-55; teach that access control functions, the common technique of grouping users and assigning different access rights to the different groups, wherein each of these groups is assigned specific read/write/delete/modify authority. Col. 96, lines 20-34; teach a role-based access control establishes access rights and profiles based on job functions within the environment. Col. 34, lines 38-45; disclose that the users can be identified and the agreement made based on this identification, the buy specifically is authenticated using a password, which entitles the user to use the system).

Therefore from this teaching of Cornelius, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method of Conklin the electronic compliance evaluation taught in Cornelius so that once the compliance engine finds all structured fields/tag are in compliance, an automatic signal is sent to the bank/buyer for payment authorization and anytime the value of the data falls outside the parameter of the structure field, it is rejected and a rejection will automatically be sent and highlighted to both buyer and seller electronically for further negotiation.

Art Unit: 3689

While Conklin and Cornelius discuss user access levels and rights, the combination of Conklin and Cornelius fails to explicitly show that the rights and privileges are set for each user regarding a purchase order and the rights of the user who are buying and selling.

Barnes, which talks about an electronic procurement system and method for trading partners, teaches where the access rights and privileges of users is set for a purchase order (Col. 3, lines 13-20 and Col. 4, lines 5-25; teach that users are assigned authorization levels which allow them to purchase goods consistent with the user's level of authorization thus different users have different rights, when combined with Conklin and Cornelius it would have been obvious to set the rights of each user, buyer or seller, with different levels, to prevent abuses from within an organization as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system).

Therefore, from this teaching of Barnes, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate into the negotiation system and method provided by the combination of Conklin and Cornelius, with the user access levels being set for each user as taught by Barnes, for the purpose of preventing abuse in the system as stated in Barnes. By doing this the company which could be buying or selling company would ensure that their agents only made deals in which they have authority to make thus preventing abuse in the system.

***Response to Arguments***

11. Applicant's arguments filed September 11, 2009 have been fully considered but they are not persuasive.

12. Applicant's arguments with respect to claims 4, 8, 9, 11-13, 18, 24-36 and 39-43 have been considered but are moot in view of the new ground(s) of rejection.

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to PAUL R. FISHER whose telephone number is (571)270-5097. The examiner can normally be reached on Mon/Fri [8am/4:30pm].

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Janice Mooneyham can be reached on (571)272-6805. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/P. R. F./  
Examiner, Art Unit 3689

/Dennis Ruhl/  
Primary Examiner, Art Unit 3689